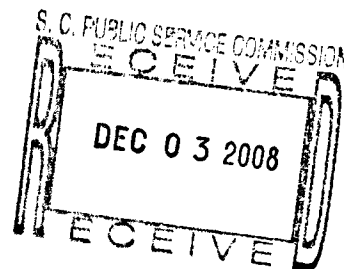




December 1, 2008

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210



Dear Mr. Terreni:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending September 30, 2008:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$3.19
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.77 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559.

Sincerely,

A handwritten signature in cursive script, appearing to read 'M. Scott Foster'.

M. Scott Foster
Manager - PEC Regulatory & Property Accounting
Progress Energy Service Company
21450

c: John Flitter

Enclosure

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Mark F. Mulhern, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2008 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

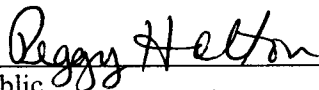


Mark F. Mulhern
Executive Vice President and Chief Financial Officer
Progress Energy, Inc.

11/17/08

Date Signed

Subscribed and Sworn to before me this 17th day of November, 2008.



Notary Public

My Commission Expires:

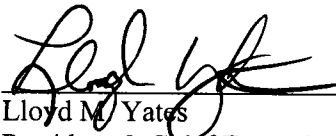
June 25, 2011

CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2008 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

11/24/08

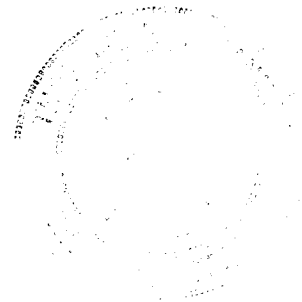
Date Signed

Subscribed and Sworn to before me this 24th day of November, 2008.



Notary Public

My Commission Expires: September 18, 2010



PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2008

DESCRIPTION ----- (1)	SYSTEM TOTAL - ELECTRIC OPERATIONS		
	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
	(2) \$	(3) \$	(4) \$
NET OPERATING REVENUE	4,434,353,275	(119,900,202)	4,314,453,073
OPERATING EXPENSE:			
NET O&M EXPENSES	2,673,710,784	(20,022,125)	2,653,688,659
DEPRECIATION	599,147,920	(23,599,637)	575,548,283
TAXES (OTHER THAN INCOME)	193,779,130	(3,850,900)	189,928,230
INCOME TAX - STATE	11,292,631	8,694,385	19,987,016
INCOME TAX - FEDERAL	195,288,592	(17,147,540)	178,141,052
PROV. FOR DEFERRED TAXES	99,543,600	35,115,949	134,659,549
INVESTMENT TAX CREDIT	(5,733,012)	-	(5,733,012)
TOTAL OPERATING EXPENSE	3,767,029,645	(20,809,868)	3,746,219,777
INCOME FOR RETURN:			
OPERATING INCOME	667,323,630	(99,090,334)	568,233,296
CUSTOMER GROWTH	5,166,356	(767,148)	4,399,208
INTEREST ON CUST. DEPOSITS	(4,476,136)	-	(4,476,136)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	668,013,850	(99,857,482)	568,156,368
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	15,352,261,923	155,663,218	15,507,925,141
PLANT HELD FOR FUTURE USE	3,048,825	-	3,048,825
RESERVE FOR DEPRECIATION	(8,256,636,603)	121,054,329	(8,135,582,274)
NET PLANT IN SERVICE	7,098,674,145	276,717,547	7,375,391,692
NUCLEAR FUEL INVENTORY	287,405,881	-	287,405,881
DEFERRED TAXES - LIB. DEPR.	(711,360,535)	89,225,920	(622,134,615)
REGULATORY ASSETS	88,232,760	(66,886,429)	21,346,331
WORKING CAPITAL:			
MATERIALS & SUPPLIES	906,230,578	(218,662,223)	687,568,355
CASH WORKING CAPITAL	449,695,095	-	449,695,095
UNCLAIMED REFUNDS	(239,464)	-	(239,464)
PREPAYMENTS	713,222	-	713,222
TAX ACCRUALS	(111,427,755)	-	(111,427,755)
CUSTOMER DEPOSITS	(78,782,434)	-	(78,782,434)
OPERATING RESERVES	(464,326,106)	-	(464,326,106)
CUSTOMER ADVANCES FOR CONSTR.	(25,495,571)	-	(25,495,571)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	676,367,565	(218,662,223)	457,705,342
TOTAL RATE BASE	7,439,319,816	80,394,815	7,519,714,631
RATE OF RETURN (%)	8.98		7.56

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2008

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	547,572,043	27,385,667	574,957,710
OPERATING EXPENSE:			
NET O&M EXPENSES	407,288,445	(14,753,547)	392,534,898
DEPRECIATION	63,533,275	(3,656,033)	59,877,242
TAXES (OTHER THAN INCOME)	13,951,710	200,985	14,152,695
INCOME TAX - STATE	1,819,595	2,484,013	4,303,608
INCOME TAX - FEDERAL	(2,467,317)	17,580,853	15,113,536
PROV. FOR DEFERRED TAXES	7,166,975	(2,862,464)	4,304,511
INVESTMENT TAX CREDIT	(818,521)	-	(818,521)
TOTAL OPERATING EXPENSE	490,474,162	(1,006,194)	489,467,968
INCOME FOR RETURN:			
OPERATING INCOME	57,097,881	28,391,861	85,489,742
CUSTOMER GROWTH	162,801	80,953	243,754
INTEREST ON CUST. DEPOSITS	(392,574)	-	(392,574)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	56,868,108	28,472,814	85,340,922
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,213,598,226	22,420,307	2,236,018,533
PLANT HELD FOR FUTURE USE	439,125	-	439,125
RESERVE FOR DEPRECIATION	(1,179,853,921)	17,107,772	(1,162,746,149)
NET PLANT IN SERVICE	1,034,183,430	39,528,079	1,073,711,509
NUCLEAR FUEL INVENTORY	41,458,140	-	41,458,140
DEFERRED TAXES - LIB. DEPR.	(111,864,371)	12,509,932	(99,354,439)
REGULATORY ASSETS	14,620,136	(9,633,710)	4,986,426
WORKING CAPITAL:			
MATERIALS & SUPPLIES	104,739,345	(3,837,652)	100,901,693
CASH WORKING CAPITAL	67,576,853	-	67,576,853
UNCLAIMED REFUNDS	(25,951)	-	(25,951)
PREPAYMENTS	116,718	-	116,718
TAX ACCRUALS	(13,545,311)	-	(13,545,311)
CUSTOMER DEPOSITS	(12,697,241)	-	(12,697,241)
OPERATING RESERVES	(66,180,189)	-	(66,180,189)
CUSTOMER ADVANCES FOR CONSTR.	(3,394,700)	-	(3,394,700)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	76,589,524	(3,837,652)	72,751,872
TOTAL RATE BASE	1,054,986,859	38,566,649	1,093,553,508
RATE OF RETURN (%)	5.39		7.80

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2008

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,486,662,252	44.63%	470,840,635	5.73%	26,979,168
PREFERRED STOCK	59,333,982	0.76%	8,017,900	5.73%	459,426
COMMON EQUITY	4,266,047,279	54.61%	576,128,324	5.11%	29,429,514
TOTAL CAPITALIZATION	7,812,043,513	100.00%	1,054,986,859		56,868,108

"ADJUSTED"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,446,557,128	44.96%	491,661,657	5.73%	28,172,213
PREFERRED STOCK	59,333,982	0.77%	8,420,362	5.73%	482,487
COMMON EQUITY	4,159,909,652	54.27%	593,471,489	9.55%	56,686,222
TOTAL CAPITALIZATION	7,665,800,762	100.00%	1,093,553,508		85,340,922